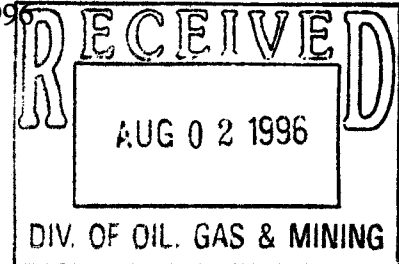




M/053/005
E/053/012

July 31, 1996



Mr. Tony Gallegos
State of Utah
Department of Natural resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
P.O. Box 145801
Salt Lake City, UT 84114-5801

RE: Reclamation Surety Replacement
Goldstrike Mine, M/053/005, Washington County, Utah
Goldstrike Exploration, E/053/012, Washington County, Utah

Dear Mr. Gallegos:

USMX has decided at the current time to leave the existing surety in place for the Goldstrike Mine M/053/005. As per the letter from James W. Carter on May 6, 1996, USMX will be reducing the amount of surety posted under a Letter of Credit issued by Colorado National Bank, Denver, Colorado from \$183,500 to \$69,300 for Goldstrike Exploration E/053/012.

Sincerely,

USMX, INC.

Thomas M. Smagala
Treasurer

TMS508/caw